

**2SHB 2256** - S COMM AMD

By Committee on Economic Development, Trade & Management

1       Strike everything after the enacting clause and insert the  
2 following:

3       "NEW SECTION. **Sec. 1.** INTENT. The legislature finds that low-  
4 income working families often encounter significant barriers as they  
5 strive to achieve financial self-sufficiency. Their challenges include  
6 acquiring employment that pays enough to cover the costs of daily  
7 living, accumulating funds for the down payment on a home, and setting  
8 aside money for the children's education or for the parents'  
9 retirement. The legislature also finds that the United States has a  
10 negative savings rate, one in five American households owes more than  
11 it owns, and in the event of a job loss, one in four households cannot  
12 support itself at the poverty line for three months. Asset-poor  
13 families do not have enough cash reserves or equity in their homes or  
14 businesses to meet basic needs through a period of joblessness, health  
15 emergency, divorce, or other unexpected financial hardship.  
16 Compounding these problems, credit reports about low-income working  
17 families tend to contain negative information, so that when used by  
18 prospective employers, the reports can prevent the job seeker from  
19 obtaining employment. Research shows that savings and ownership of  
20 assets is possible for low-income wage earners and that they would  
21 benefit from a variety of tools that allow them to better control and  
22 increase their financial resources. The legislature therefore finds  
23 that the state, together with local communities, must adopt policies  
24 and provide services to help low-income working families achieve  
25 prosperity.

26       NEW SECTION. **Sec. 2.** DEFINITIONS. The definitions in this  
27 section apply throughout sections 1 through 6 of this act unless the  
28 context clearly requires otherwise.

1 (1) "Asset" or "asset building" means investment or savings for an  
2 investment in a family home, higher education, small business, or other  
3 long-term asset that will assist low-income families to attain greater  
4 self-sufficiency.

5 (2) "Department" means the department of community, trade, and  
6 economic development.

7 (3) "Director" means the director of the department of community,  
8 trade, and economic development.

9 NEW SECTION. **Sec. 3.** WASHINGTON ASSET BUILDING COALITION. (1)

10 There is created the Washington asset building coalition, whose mission  
11 is to provide statewide leadership on initiatives that foster financial  
12 self-sufficiency and economic security for low-income working families.  
13 The Washington asset building coalition shall work with the department,  
14 local asset building coalitions, and other public and private sector  
15 partners to:

16 (a) Create a range of private and public prosperity products;

17 (b) Develop and promote public and private lending policies that  
18 encourage asset building;

19 (c) Market savings, smart borrowing, and federal tax credit  
20 programs;

21 (d) Expand financial literacy opportunities and outcomes;

22 (e) Enhance protections from predatory lending, fraud, and consumer  
23 scams; and

24 (f) Identify and promote other approaches that will help low-income  
25 working families reach self-sufficiency by building and managing their  
26 assets.

27 (2) For the 2007-2009 biennium, the department shall work with the  
28 Washington asset building coalition and other partners to design,  
29 implement, and fund a statewide public education and outreach campaign.  
30 The department shall use state funds to attract matching investments by  
31 other public and private sector organizations. The campaign shall  
32 feature marketing, self-help tools, and local services, including  
33 activities such as:

34 (a) Creation of a web site with financial information, savings and  
35 investment calculators, credit repair links, and other self-help tools;

36 (b) Call-in assistance and referrals through a universal telephone  
37 number that provides a directory to local services;

1 (c) Public service announcements and other educational outreach  
2 through media outlets, WorkFirst agencies, mailing inserts, and print  
3 and electronic materials designed to reach target groups such as  
4 seniors, the military, foster youth, former offenders, WorkFirst  
5 participants, limited English speakers, and other high need groups.

6 NEW SECTION. **Sec. 4.** COMMUNITY ASSET BUILDING COALITIONS. (1)  
7 Community-based asset building coalitions involve collaboration among  
8 local social service, faith-based, governmental, job training, and  
9 health care agencies and the private sector, including financial  
10 institutions. They are important partners to the department and the  
11 statewide coalition because they deliver direct services to low-income  
12 working families.

13 (2) The department shall expand and strengthen community-based  
14 asset building coalitions by providing them with technical assistance  
15 and grants. The department shall establish a process to offer  
16 technical assistance and grants to local communities interested in  
17 initiating or expanding asset building coalitions and services. The  
18 department shall conduct an application process and select at least  
19 twelve sites by October 31, 2007. The application must:

20 (a) Identify the local lead agency;

21 (b) Describe how the lead agency will work with community partners,  
22 including local government and the private sector, to implement program  
23 activities. The application must specifically identify the community  
24 partners with whom the lead agency will collaborate, the role of each  
25 partner, and their experience and accomplishments to date, if any, with  
26 asset building and financial literacy programs;

27 (c) Identify areas of potential need based upon input from the  
28 community partners, including: Financial literacy; assistance with  
29 federal income tax preparation and the use of tax credits; the use of  
30 individual development accounts; homeownership and micro-enterprise  
31 promotion and services; and other asset-building strategies;

32 (d) Identify the community resources that might support training  
33 for the implementation of the selected best practices chosen to address  
34 the needs identified by the community; and

35 (e) Identify any local funds and in-kind resources that will be  
36 contributed to complement the state's funding.

1        NEW SECTION.    **Sec. 5.**    TAX CREDIT MARKETING.    To the extent funding  
2    is appropriated, the department shall establish a program to create an  
3    outreach campaign to increase the number of eligible low-income working  
4    families who claim the federal earned income tax credit and the federal  
5    child and dependent care tax credit.    The department may work  
6    collaboratively with other state agencies, private and nonprofit  
7    agencies, local communities, and others with expertise that might  
8    assist the department in implementing the program.

9        NEW SECTION.    **Sec. 6.**    ACCOUNTABILITY.    The department shall report  
10   to the appropriate committees of the legislature by December 1, 2008,  
11   and annually thereafter, on the status of the asset building and  
12   financial self-sufficiency programs created under this act.    The report  
13   shall include the status of program implementation, the outcomes  
14   achieved to date, any barriers that have arisen to carrying out the  
15   programs, and recommendations for additional services, tools, and  
16   practices that would increase the effectiveness of state and local  
17   asset building and financial literacy programs.

18        **Sec. 7.**    RCW 19.182.020 and 1993 c 476 s 4 are each amended to read  
19   as follows:

20        LIMITING CREDIT REPORT USAGE FOR EMPLOYMENT.    (1) A consumer  
21   reporting agency may furnish a consumer report only under the following  
22   circumstances:

23        (a) In response to the order of a court having jurisdiction to  
24   issue the order;

25        (b) In accordance with the written instructions of the consumer to  
26   whom it relates; or

27        (c) To a person that the agency has reason to believe:

28        (i) Intends to use the information in connection with a credit  
29   transaction involving the consumer on whom the information is to be  
30   furnished and involving the extension of credit to, or review or  
31   collection of an account of, the consumer;

32        (ii) Intends to use the information for employment purposes;

33        (iii) Intends to use the information in connection with the  
34   underwriting of insurance involving the consumer;

35        (iv) Intends to use the information in connection with a

1 determination of the consumer's eligibility for a license or other  
2 benefit granted by a governmental instrumentality required by law to  
3 consider an applicant's financial responsibility or status; or

4 (v) Otherwise has a legitimate business need for the information in  
5 connection with a business transaction involving the consumer.

6 (2)(a) A person may not procure a consumer report, or cause a  
7 consumer report to be procured, for employment purposes (~~with respect~~  
8 ~~to any consumer who is not an employee at the time the report is~~  
9 ~~procured or caused to be procured unless:~~) where any information  
10 contained in the report bears on the consumer's credit worthiness,  
11 credit standing, or credit capacity, unless:

12 (i) The information is either:

13 (A) Reasonably job related and the employer's reasons for the use  
14 of such information are disclosed to the consumer in writing; or

15 (B) Required by law; and

16 (~~(i)~~) (ii)(A) A clear and conspicuous disclosure has been made in  
17 writing to the consumer before the report is procured or caused to be  
18 procured that a consumer report may be obtained for purposes of  
19 considering the consumer for employment. The disclosure may be  
20 contained in a written statement contained in employment application  
21 materials; or

22 (~~(ii)~~) (B) The consumer authorizes the procurement of the report.

23 (b) A person may not procure a consumer report, or cause a consumer  
24 report to be procured, for employment purposes with respect to any  
25 employee unless the employee has received, at any time after the person  
26 became an employee, written notice that consumer reports may be used  
27 for employment purposes. A written statement that consumer reports may  
28 be used for employment purposes that is contained in employee  
29 guidelines or manuals available to employees or included in written  
30 materials provided to employees constitutes written notice for purposes  
31 of this subsection. This subsection does not apply with respect to a  
32 consumer report of an employee who the employer has reasonable cause to  
33 believe has engaged in specific activity that constitutes a violation  
34 of law.

35 (c) In using a consumer report for employment purposes, before  
36 taking any adverse action based in whole or part on the report, a  
37 person shall provide to the consumer to whom the report relates: (i)  
38 The name, address, and telephone number of the consumer reporting

1 agency providing the report; (ii) a description of the consumer's  
2 rights under this chapter pertaining to consumer reports obtained for  
3 employment purposes; and (iii) a reasonable opportunity to respond to  
4 any information in the report that is disputed by the consumer. This  
5 subsection applies to job applicants and current employees.

6 NEW SECTION. Sec. 8. A new section is added to chapter 74.08A RCW  
7 to read as follows:

8 DEPARTMENT OF SOCIAL AND HEALTH SERVICES TO ENCOURAGE ASSET  
9 BUILDING. The department of social and health services shall encourage  
10 recipients of temporary assistance for needy families to learn about  
11 asset building and participate in programs to assist low-income persons  
12 in developing personal assets. The department of social and health  
13 services shall provide its regional offices, recipients of temporary  
14 assistance for needy families, and any contractors providing job  
15 search, training, or placement services notification of programs  
16 available in the state for financial literacy, individual development  
17 accounts, assistance with federal income tax information and the  
18 availability of tax credits, and other resources to assist with asset  
19 building.

20 NEW SECTION. Sec. 9. The family prosperity account is created in  
21 the state treasury. All receipts from any federal, state, and private  
22 funds must be deposited in the account. Moneys in the account may be  
23 spent only after appropriation. Expenditures from the account may be  
24 used only for supporting initiatives that foster financial self-  
25 sufficiency and economic security for low-income working families.

26 NEW SECTION. Sec. 10. REPEALERS. The following acts or parts of  
27 acts are each repealed:

- 28 (1) RCW 43.63A.765 (Pilot programs for asset accumulation) and 2006  
29 c 91 s 2; and
- 30 (2) RCW 43.63A.767 (Outreach campaign--Eligibility for federal  
31 earned income tax credit) and 2006 c 91 s 3.

32 NEW SECTION. Sec. 11. CAPTIONS NOT LAW. Captions used in this  
33 act are not any part of the law.

1        NEW SECTION.    **Sec. 12.**    Sections 1 through 6 and 11 of this act are  
2 each added to chapter 43.63A RCW.

3        NEW SECTION.    **Sec. 13.**    If specific funding for the purposes of  
4 this act, referencing this act by bill or chapter number, is not  
5 provided by June 30, 2007, in the omnibus appropriations act, this act  
6 is null and void."

**2SHB 2256** - S COMM AMD

By Committee on Economic Development, Trade & Management

7        On page 1, line 1 of the title, after "act;" strike the remainder  
8 of the title and insert "amending RCW 19.182.020; adding new sections  
9 to chapter 43.63A RCW; adding a new section to chapter 74.08A RCW;  
10 creating a new section; and repealing RCW 43.63A.765 and 43.63A.767."

--- END ---